

**OFFICE OF THE TREASURER**

P.O. Box 942809  
Sacramento, CA 94209-0001  
(800) 900-3873  
[www.treasurer.ca.gov](http://www.treasurer.ca.gov)



# The Treasury Note

A monthly newsletter of Municipal Finance

July 1, 2000

## Recent State Bond Sales

### State Public Works Board Lease Revenue Bonds

The State sold \$38.6 million in lease revenue bonds for the Public Works Board at a true interest cost of 5.37 percent on June 14.

Salomon Smith Barney led the team of underwriters, selling the bonds in a negotiated sale with co-managers BancAmerica Securities, LLC, The Chapman Company, Morgan Stanley Dean Witter, Prudential Securities, Inc., Stone & Youngberg LLC, and Sutro & Company, Inc. Stradling Yocca Carlson & Rauth and the Law Offices of Marilyn L. Garcia served as co-bond counsel. The Law Offices of Leslie M. Lava, Esq. provided disclosure counsel services. Orrick, Herrington & Sutcliffe served as special counsel to the State regarding financial and other disclosure information in Appendix A. Montague, DeRose & Associates acted as pricing advisor.

The bonds were rated A+ by Fitch, A1 by Moody's Investors Service, and A+ by Standard & Poor's. Bonds maturing on and after 2011 are insured by AMBAC and rated AAA by Fitch and Standard & Poor's and Aaa by Moody's Investors Service.

The bonds will finance various medical and rehabilitation projects for the California Department of Corrections (CDC) and the Department of the Youth Authority (DYA) throughout the state.

### General Obligation Bonds

The State sold \$350 million in general obligation bonds on June 20. The bond proceeds support K-12 class size reduction; higher education facilities; rail transportation improvement projects; and county correctional and juvenile facilities improvements.

The bonds were sold in a competitive sale, with bids received from syndicates led by Lehman Brothers, Merrill Lynch & Co., Salomon Smith Barney, and BancAmerica Securities, LLC. Lehman Brothers won the bid with the lowest true interest cost of 5.3372 percent. In addition to hand-delivery, bidders were able to submit bids using one of three electronic services, Bloomberg, MuniAuction, or Parity.

The three major rating agencies, Fitch, Moody's Investors Service, and Standard & Poor's, rated the bonds AA, Aa3, and AA-, respectively.

Orrick, Herrington & Sutcliffe and McFarlin & Anderson served as co-bond counsel with Latham & Watkins serving as disclosure counsel. Public Resources Advisory Group provided financial advisory services.

A graphic of colorful fireworks exploding in the night sky, with red, blue, and orange bursts.

**Happy  
Independence  
Day!**

---

**Coming Next Month...**

State Budget News

---

---

---

## Listing of Redemptions

This listing reflects redemptions officially announced as of July 1, 2000.

**State Public Works Board of the State of California, High Technology Facilities Lease Revenue Bonds (Trustees of the California State University) 1986 Series A (San Jose Facility), Dated Date: August 1, 1986 (Partial Redemption).**

\$2,410,000 of the bonds due August 1, 2006 will be redeemed on August 1, 2000.

**State of California Veterans General Obligation Bonds, Series AE, Dated Date: May 1, 1980 (Full Redemption).**

All bonds will be redeemed on August 1, 2000.

**State of California Veterans General Obligation Bonds, Series AF, Dated Date: June 1, 1980 (Full Redemption).**

All bonds will be redeemed on August 1, 2000.

Questions regarding redemptions or registration information can be directed to the *Investor Relations Section* at **(800) 900-3873**.

## Information & Assistance



To receive *The Treasury Note* newsletter monthly, enroll for direct deposit of your payments, or for bond-related questions, please call:  
**(800) 900-3873.**

## Bond Sales Calendar\*

If you are interested in purchasing any of these bonds, please contact your broker two weeks before the sale date. For updated information, check our website ([www.treasurer.ca.gov](http://www.treasurer.ca.gov)) or call **(800) 900-3873**.

BOND SALES	AMOUNT	SALE DATE
San Diego State University Parking System Revenue Bonds	\$14 million	August 8, 2000

**\*Subject to change without notice.**

---

---

## Frequently Asked Questions ?

**Q:** The State of California bonds I recently purchased are in **Book-Entry-Only (BEO)** form and held in an account with my broker. How and when is my account credited for interest?

**A:** All State of California bonds sold in BEO form are held at the Depository Trust Company (DTC) in New York. DTC is a nonprofit service company owned by members of the financial industry. It is a national clearing house for the settlement of trades in municipal securities.

Our office wire transfers BEO bond interest payments to DTC on the first business day of each month. DTC, in turn, credits each participating brokerage member's account on the business day the interest is due. Please check with your broker to determine the exact date that your account is credited with your interest payment.

**Q:** How can I obtain the results for the most recent bond sales?

**A:** There are two ways to obtain bond sale information from our office. The results are usually available on the afternoon of the sale date by calling the *Investor Relations Section* at (800) 900-3873. You can obtain information such as the true interest cost, credit ratings, underwriter information, and the maturity scale.

In addition, bond sale results are published monthly in this newsletter, (please see the front page for results of the Public Works Board and General Obligation bond sales). To receive *The Treasury Note* newsletter on a monthly basis, please contact the Investor Relations Section so we can add your name to our mailing list. *The Treasury Note* newsletter is also available on our website at [www.treasurer.ca.gov/stotn.htm](http://www.treasurer.ca.gov/stotn.htm).